

EX PARTE OR LATE FILED



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February 16, 1995

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, D. C. 20554

DOCKET FILE COPY ORIGINAL

Re: Ex Parte Presentation
Docket No. 94-120
Investigation of AT&T Transmittal No. 6788

Dear Mr. Caton:

On February 16, 1995, I provided Lauren Belvin of Commissioner Quello's a copy of the attached material in connection with the above-captioned docket.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Sincerely,

A handwritten signature in dark ink, appearing to read "E. E. Estey".

attachment

cc: L. Belvin

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February 16, 1995

Ms. L. Belvin
Senior Advisor, Office of Commissioner Quello
Federal Communications Commission
1919 M Street, NW 20054

Dear Ms Belvin:

Thank you for the opportunity to discuss the Feature Group (FG) A/B tariff issue with you last week. I am hopeful we can find a solution that satisfies customer needs, the Commission's concerns, and provides a vehicle for AT&T to continue to meet customer needs while recovering its cost. This letter summarizes ideas that might form the basis of a solution.

As we discussed, AT&T's Transmittal No. 6788 establishes rates and terms for AT&T's reselling LEC access for Feature Group A/B connections. In that pending tariff filing, AT&T's access rate element connecting LEC end offices to an AT&T Point of Presence (POP) is unbundled from the intercity portion of the service, and may be connected to an InterOffice Channel to form Foreign Exchange service. AT&T's other Tariff 11 access is similarly unbundled; customers can buy access to AT&T's POP either from AT&T or from another provider. However, access in Tariff 11 is not further unbundled into Direct Transport and Entrance Facilities because it is provided on DS-1 facilities from AT&T's office to the LEC end office. Unbundling at the intermediate Serving Wire Center has no utility to the customer and would be prohibitively expensive.

My understanding of the Common Carrier Bureau's position is that if Split Billing were available, thus permitting customers to select a portion of a DS-1 from LEC facilities that connect the end office to AT&T's POP, this would resolve their concerns with our pending filing. AT&T does not object to such connections, but Split Billing may not be available until some time in the future. Meanwhile, AT&T is being billed by the LECs about \$700-800 thousand per month without an effective tariff to recover these charges. AT&T is unwilling to invest the \$25 million in outdated analog network equipment and software that would be required to unbundle the provision of this access for a dwindling customer base. Without this tariff, AT&T intends to advise its customers that they must remove their FG A/B access

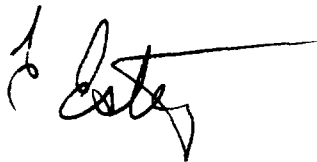
traffic from AT&T's facilities and make other access arrangements if they wish to continue with AT&T's intercity service.

In the alternative, if the Commission allows AT&T's tariff to go into effect, AT&T could agree to certain conditions that would minimize potential customer concerns while the Commission proceeds with its Split Billing decision. Such conditions might include:

- Revised tariff language that unbundles AT&T's proposed transport element into Direct Transport and Entrance Facilities. The tariff would require that both elements be purchased from AT&T or from another provider. Separation into the two segments would facilitate customers' bill verification procedures to ensure against double billing. The effective date of the new charge would be deferred 30 days in order to permit customers to discontinue if they choose to do so.
- A customer notification letter indicating the range of monthly increases customers may expect when the new tariff takes effect, and a 30-day period to allow customers to contact AT&T or discontinue use of AT&T's access facilities before AT&T begins billing;
- A toll-free contact number for customers to reach AT&T for assistance;
- A commitment from AT&T to work with its customers and the LECs to resolve billing issues.

We look forward to finding a solution to this problem. Please let me know if I can be of further assistance or provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Belvin", with a long horizontal flourish extending to the right.